



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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July 31, 1996

Rex Rowley  
Resource Area Manager  
Bureau of Land Management  
P. O. Box 778  
Fillmore, Utah 84631

Don Ostler  
Division of Water Quality  
Department of Environmental Quality  
PO Box 144870  
Salt Lake City, Utah 84114-4870

Re: Notification of Enforcement Action - Notice of Agency Action, Jumbo Mining Company & Western States Minerals Corporation, Drum Mine, M/027/007, Millard County, Utah

Dear Gentlemen:

This letter is sent to advise you of the Division's intention to initiate enforcement provisions as provided for under the Utah Mined Land Reclamation Act, Title 40-8-21(3) and more specifically Rule R647-4-117.4, (Notification of Suspension or Termination of Operations). These regulatory provisions authorize the Division to require reclamation of a large mining operation after five (5) years of continued suspension. It is our intent to file a Notice of Agency Action before the Board of Oil, Gas and Mining against Jumbo Mining Company ("JMC") and Western States Minerals Corporation ("WSMC") in an effort to bring about timely reclamation of the surface disturbances associated with the indefinite suspension of gold mining operations at the Drum Mine.

Both the BLM and DOGM inspection records reflect that mining and heap leaching activities were suspended at the Drum Mine in October of 1990. Since that time, the mine site has remained inactive and the overall site conditions have continued to deteriorate. Finalization of the formal permit transfer process of WSMC's complete mining and reclamation permit to JMC remains incomplete. Ongoing litigation between JMC and WSMC over disputed reclamation and surety bonding responsibilities remains unresolved. Jumbo Mining Company has appealed the Colorado court's latest decision directing them to assume full reclamation responsibility and liability for the mine site and WSMC has not sought to enforce its judgements in Utah.

We have no evidence supporting near term resumption of mining operations. The only legal remedy available to the agencies to correct the continued deterioration of the site and to minimize the



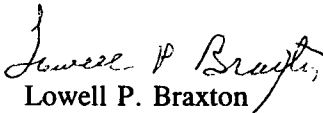
Page 2  
BLM & DWQ  
M/027/007  
July 31, 1996

likelihood of any future environmental contamination-related concerns occurring is to order immediate reclamation of the mine site by JMC and WSMC for their respective permit areas.

We will suspend formalizing our enforcement action until August 8, 1996 to allow you sufficient time to provide any comments or objections you may have in this matter. It is our intention to coordinate any future reclamation requirements determined necessary at this mine site with your agency. Prior to this date, DOGM will also provide the parties representatives an opportunity to inform us of any circumstances they are aware of that would change our position.

It is likely that we may seek your (and/or your staff's) assistance to testify as expert witnesses in the event that our enforcement action results in litigation before the Board of Oil, Gas and Mining. As always, thank you for your continued cooperation and coordination. Please feel free to contact me or Wayne Hedberg of my staff if you have questions regarding the content of this letter. I look forward to hearing from you in the near term.

Sincerely,

  
Lowell P. Braxton  
Deputy Director

jb  
cc: Terry McParland, BLM, State Office  
Tom Mitchell, AAG  
Minerals staff (route)  
M027007.blm

**JULIA MINING COMP. A**

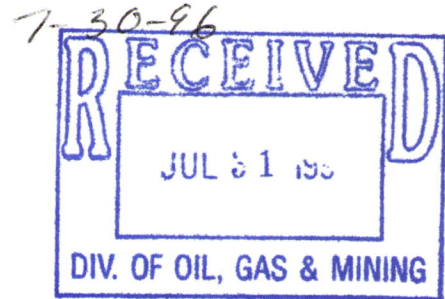
m/027/007

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Austin, Texas 78730

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**DOGM  
MINERALS PROGRAM  
FILE COPY**

WAYNE HEDBERG:



ENCLOSED IS A COPY OF OUR DRUM  
MINE SITE FACILITIES MAP WITH LIST.  
SORRY FOR THE DELAY.

Dave  
DAVE HARTSHORN



775  
DOGM  
MINERALS PROGRAM  
FILE COPY

82.5  
X

570  
X

5950

WATER  
EL 31.0  
8" DIA  
CLIME MITIGATION  
TANK

WATER  
BARRIS  
EL 5899.0

BARRIS  
WATER  
EL 5903.0

170  
X

PIPELINE

175  
X

185  
X

CYANIDE  
MIXING  
TANKS

35.5  
X

32.0  
X

375  
X

NG

NG

565  
X

FRESH WATER  
TANK (12,000 GAL)  
30' X 10'  
830  
X

575  
X

PIPE

580  
X

ORTH

19' X 12' TIN SHED

375  
X

60' X 100'  
MILL  
BULBOW  
(STEEL)  
ON  
CEMENT  
SLAB

OFFICE  
EL 5937.3

37.0  
X

38.0  
X

38.0  
X

55' X 20' TIN SHED  
510  
X

POWER  
LINE  
25' X 15' TIN SHED  
510  
X

510  
X

GENERATOR  
AREA  
15' X 32'

DIESEL TANKS  
7 1/2' X 32' EA.  
10,000 GAL  
TANKS

DRUM MINE

"SURFACE FACILITIES  
MAP"

RECEIVED

JUL 31 1996

DEPT OF OIL, GAS & MINING

1" = 100'



ITEM #	QUANTITY	DESCRIPTION	EXHIBIT "A"
1	3	250 GPM CARBON COLUMNS	
2	1	6' DIAMETER WASH TANK	
3	3	15 HP D-1011 WORTHINGTON PREG PUMPS, W/BACKUPS	
4	1	7 1/2 HP ALLIS CHALMERS PUMP, CARBON TRANSFER, W/ BACKUP	
5	3	TOTALIZING FLOWMETERS, DATA INDUSTRIAL, PREG SYSTEM	
6	1	1,000,000 GALLON PREG POND, HYPALON LINED	
7	1	1,000,000 GALLON BARREN POND, HYPALON LINED	
8	1	TOTALIZING FLOWMETER, DATA INDUSTRIAL, BARREN SYSTEM	
9	2	40 HP D-1011 WORTHINGTON PREG PUMPS, W/BACKUPS	
10	1	60 HP D-1011 WORTHINGTON PREG PUMPS, W/BACKUPS	
11	1	BARREN DISTRIBUTION SYSTEM, POLYETHELENE, PVC COMBINATION	
12	2	PUMPING BARGES W/ RAMPS	
13	1	4,500 #/DAY CARBON STRIPPING SYSTEM	
		a. 5 STRIP TANKS	
		b. 2 OIL FIRED HOT WATER HEATERS	
		c. 2 STRIP CIRCULATION PUMPS, BURKES W/ BACKUPS	
		d. 2 RECTANGULAR ELECTROLYTIC CELLS	
		e. 1 POWER EXHAUST SYSTEM, ELECTROLYTIC CELL AREA	
		f. TOTALIZING FLOWMETER, DATA INDUSTRIAL, STRIPPING SYSTEM	
		g. 1 HBS RECTIFIER	
14	1	6,000 GAL. VERTICAL TANK, GLYCOL STORAGE	
15	1	1,000 GAL VERTICAL TANK, STRIPPING SOLUTION STORAGE	3 INSIDE MILL
16	1	21,000 GAL VERTICAL TANK, LIQUID CAUSTIC STORAGE	(ON PIPELINE)
17	1	LINDBERG MELTING FURNACE, #30 CRUCIBLE CAPACITY, W/ ACCESSORIES	
18	1	POWER EXHAUST SYSTEM, SMELTING AREA	
19	1	BUCHNER FILTER, 36" DIAMETER	
20	1	PERISTALTIC PUMP	
21	1	10 HP EMGLO AIR COMPRESSOR	
22	1	CATHODE STORAGE BOX	
23	1	METTLER BULLION BALANCE	
24	1	VIDEO SURVEILLANCE SYSTEM, W/ RECORDER	
25	1	FLOOR SAFE	
26	1	TELEPHONE SYSTEM	
27	1	140 GPM FRESH WATER SUPPLY SYSTEM W/ PUMPS, 7 MILE 6" METAL PIPELINE	
28	1	PERIMETER FENCE SYSTEM	
29	1	SAMPLE PREPERATION FACILITY, 100 SAMPLES/ SHIFT CAPACITY	
		a. 1 BICO JAW CRUSHER	
		b. 1 BICO ROTATING DISC PULVERISER	
		c. 2 DRYING OVENS	
		d. 1 POWER VENTILATION SYSTEM	
30	1	LABORATORY FACILITY, 100 SAMPLES/SHIFT CAPACITY, WET, FIRE ASSAYS	
		a. 1 PERKIN ELMER # 2280 ATOMIC ADSORPTION SPECTROPHOTOMETER	
		b. 1 LABORATORY SAMPLE SHAKER	
		c. 1 HAMILTON DIGITAL DILLUTOR	
		d. 1 BICO JAW CRUSHER	
		e. 1 LABCONCO FUME HOOD	
		f. 2 STIRRING HOT PLATES	
		g. 1 CENTRIFUGE	
		h. 1 PH METER	
		i. 1 CAHN 28 MICROBALANCE	
		j. 1 LINDBEWG ELECTRIC ASSAY FURNACE	
		k. 1 METTLER 200g. PULP BALANCE	
		l. 1 JEWELLERS ROLL	
		m. 1 REAGENTS & GLASSWARE	
31	1	WORKING INVENTORY OF PARTS FOR SYSTEM MAINTENANCE (SHED)	
32	1	WORKING INVENTORY OF HAND TOOLS FOR SYSTEM MAINTENANCE	
33	1	WORKING INVENTORY OF OFFICE EQUIPMENT AND SUPPLIES	
34	1	1978 OLYMPIC 60X100 PROCESS BUILDING (MILL BUILDING)	

E0000764

DOGM  
MINERALS PROGRAM  
FILE COPY

- 35 1 WELL PUMP & WATER-LINE
- 36 5 GENERATORS (200 KW, 200KW, 150 KW, 100KW, 20KW)
- 37 1 500 GALLON TANK @ PD PUMP
- 38 1 1000 GALLON TANK @ WATER WELL
- 39 2 500 GALLON TANKS @ GENERATORS (04.6-411&04.6-412)
- 40 2 10000 GALLON DIESEL TANKS
- 41 1 4000 GALLON GASOLINE TANK (UNDERGROUND) (REMOVED)
- 2 CYANIDE MIXING TANKS (6'DIA X 6', 4'DIA X 5')
- 1 LIME MIXING TANK (8'DIA)

E0000765